

acquisition of control filing. An application for such supervisory approval under paragraphs (b)(2) and (b)(3) of this section shall set forth all information determined sufficient for supervisory purposes and shall substantiate why the requested capital distribution should be permitted under the applicable criteria for its tier.

(2) The requirements of this section shall supersede the provisions of agreements or conditions to approved applications controlling associations' capital distributions that were less stringent than the restrictions imposed under this rule.

(3) An association subject to restrictions under an agreement or application condition that are more stringent than the restrictions imposed by this rule may submit a written notice to OTS seeking to be subject to this rule. The Office within 30 days of receipt of the notice will evaluate the notice and make a determination of whether the facts initially warranting imposition of the more stringent agreement or condition warrant the continuation of those restrictions or if the provisions of this section should apply to the association.

[55 FR 27196, July 2, 1990, as amended at 57 FR 14347, Apr. 20, 1992; 57 FR 33438, July 29, 1992; 60 FR 66718, Dec. 26, 1995; 62 FR 66263, Dec. 18, 1997]

Subpart F—Financial Management Policies

§ 563.161 Management and financial policies.

(a) For the protection of its account holders and other savings associations each savings association and service corporation thereof shall maintain safe and sound management and shall pursue financial policies that are safe and consistent with economical home financing and the purposes of federal savings associations and are appropriate to their respective types of operations; in implementing this regulation the Office will take into consideration that service corporations may be authorized to engage in activities which involve a higher degree of risk than do activities permitted to savings associations.

(b) Compensation to officers, directors, and employees of each savings as-

sociation and its service corporations shall not be in excess of that which is reasonable and commensurate with their duties and responsibilities. Former officers, directors, and employees of savings association or its service corporation who regularly perform services therefor under consulting contracts are employees thereof for purposes of this paragraph (b).

§ 563.170 Examinations and audits; appraisals; establishment and maintenance of records.

(a) *Examinations and audits.* Each savings association and affiliate thereof shall be examined periodically, and may be examined at any time, by the Office, with appraisals when deemed advisable, in accordance with general policies from time to time established by the Office. The costs, as computed by the Office, of any examinations made by it, including office analysis, overhead, per diem, travel expense, other supervision by the Office, and other indirect costs, shall be paid by the savings associations examined, except that in the case of service corporations of Federal savings associations the cost of examinations, as determined by the Office, shall be paid by the service corporations. Payments shall be made in accordance with a schedule of annual assessments based upon each savings association's total assets and of rates for examiner time in amounts determined by the Office.

(b) *Appraisals.* (1) Unless otherwise ordered by the Office, appraisal of real estate by the Office in connection with any examination or audit of a savings association, affiliate, or service corporation shall be made by an appraiser, or by appraisers, selected by the Office's Regional Director of the Region in which such savings association is located. The cost of such appraisal shall promptly be paid by such savings association, affiliate, or service corporation direct to such appraiser or appraisers upon receipt by the savings association, affiliate, or service corporation of a statement of such cost as approved by such Regional Director. A copy of the report of each appraisal made by the Office pursuant to any of the foregoing provisions of this section